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Image, money woes haunt contras

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TEGUCIGALPA, Honduras — More than 100 armed men swept down from the hills and overwhelmed the village in a hail of bullets and mortar fire. Eleven men who tried to stave off the attack died in the trenches. Before gaping townspeople, the attackers slashed the throats of three defenders who had survived. Then they withdrew.

It was July 1982. The incident was an attack on San Francisco del Norte, a village 56 miles south of Tegucigalpa, just five miles into Nicaragua from Honduras. It was the first well-publicized attack by anti-Sandinista contra rebels.

At the time, three years after revolution had swept Nicaragua, bloody insurgencies seemed to be consuming most of Central America.

This attack was different. It was an early raid in a new war, and this time the war's hidden financier was not Havana or Moscow, but Washington.

The Reagan administration said its aim in backing the contras was to stabilize a region threatened by Marxist subversion. The idea, officials said, was to give Managua's Sandinistas a taste of their own medicine, to pressure them with their own guerrilla tactics to end support for insurgencies elsewhere.

Four years later, the contra war has

POLICY AT A CROSSROADS

First of four parts

cost 14,000 lives and wrought $700 million worth of damage inside Nicaragua. The United States has spent at least $142 million on the contras, and the Reagan administration is seeking another $100 million.

And now, as Congress prepares once again to debate contra aid, the contras — and the policy that created them — are at a crossroads, their future unclear, their past in dispute.

Many factors in the conflict have changed. Central America, the contras themselves, the Sandinistas, Washington's intentions — all have evolved, some radically.

Reagan administration officials say that the policy has borne fruit, that the flames of insurgency in Central America are dying because the contras have forced the Sandinistas to fight fires at home.

"The contras have tied the Sandinistas down," Nestor Sanchez, deputy assistant secretary of defense, said last week. "They've kept the Sandinistas preoccupied, so they haven't been able to bother their neighbors."

Others worry that the contras themselves could become the bother, Central America's most destabilizing force, an army camped in Honduras owing allegiance to no government.

The guerrillas, numbering just 400 men five years ago, have blossomed into a sprawling army of perhaps as many as 20,000 fighters surrounded in Honduras by tens of thousands of relatives and camp followers. They need new U.S. funding just to survive.

A senior Honduran military officer said this month that the Honduran army is so concerned about the contras that it has developed strategies for annihilating them in case of a military confrontation.

"They could give us problems," the officer said, "but they don't have an air force. We could eventually crush them."

Harsh measures

In Nicaragua, the war has brought harsh measures and mounting dogmatism among rulers who once vowed the Sandinista revolution would be democratic like no other.

For its part, the Reagan administration has expanded the goals of its Nicaraguan war to embrace the ambitious dreams of the exile rebels themselves: to force the Sandinistas to "cry uncle," as the president put it last year.

To do so, the contras say they need major infusions of arms, especially anti-aircraft missiles. The administration's aid package envisions that: $30 million would go for nonlethal supplies such as food and clothing; $70 million for weapons and ammunition.

Opponents say approving the Reagan program dooms Central America to years of war and bloodshed. Proponents say that to reject the aid would only allow the Soviet Union and Cuba a foothold on the American mainland and risk the possibility that U.S. combat troops will one day be needed in Central America.

Such difficult choices today can be traced to 1981 and the first months of the Reagan presidency.

Presidential 'finding'

The United States committed itself to the contra policy in a presidential "finding," or secret announcement to Congress, in October 1981. In that document, President Reagan earmarked $22 million of CIA money for covert action against Nicaragua. Congress was told the money would pay for the formation of a 500-man commando unit of Nicaraguan exiles whose mandate would be to interdict Sandinista arms shipments to El Salvador, where the leftist guerrillas appeared dangerously close to toppling the government.

But from the beginning, the project was more than the creation of an elaborate border customs force. The unit was to be armed and trained for war.

A U.S. official participating at the time recalled last week that Washington, during the Reagan administration's first month, overestimated the crisis facing the Sandinistas after 18 months of revolution.

"People talked as though things were falling apart in Managua," the official recalled. "They thought the people were going to rise up against the Sandinistas. The contras were going to be the spark for the tinderbox."

Mercenary beginning

Despite these ambitions, the program was sold to Congress as a simple interdiction effort run by the CIA through hired exiles. This mercenary beginning has repeatedly returned to haunt the administration — and the rebels themselves — as they have tried to portray the contras as a genuine national liberation movement fighting a Communist state.

The force was to be drawn from the hundreds of defeated Nicaraguan national guardsmen loitering in Honduras. Argentine military officers, with their own worldwide anti-Communist agenda,

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were already training them. Soon thousands of exiled Indians embittered by Sandinista repression on Nicaragua's Atlantic coast proved fertile ground for CIA recruiting.

The leader of the exile force that grew into the main rebel army — the Nicaraguan Democratic Force (FDN) — was former national guard Col. Enrique Bermudez, President Anastasio Somoza's one-time military attache in Washington and a man with longstanding CIA ties.

By 1982, the CIA had at least 125 covert agents on its payroll in Honduras and was financing a rebel force of 3,000 men operating out of 17 border camps. The Honduran army helped with logistics, and U.S.-supplied arms were winding up in rebel hands.

By the time of the San Francisco del Norte attack, the U.S. Defense Intelligence Agency had counted some 85 contra attacks. They had blown up two bridges, burned a customs warehouse and assassinated a number of Sandinista officials and a Cuban adviser.

U.S. efforts grow

Over the next two years, the efforts burgeoned. Supplies were shipped to Honduran ports in container ships. The CIA established a training base in central Honduras with more than 15 agents teaching demolition and other guerrilla crafts. The CIA helped the contras acquire a mini-air force of at least a dozen planes and several helicopters. The U.S. military improved Honduran airstrips during public military exercises, then turned at least one over to the CIA for rebel use.

Backed by these impressive logistics, the contras demonstrated a degree of military success. Well-armed, they fought like a conventional army, roaming the countryside in company-sized units. Opposed mainly by poorly trained Sandinista militia, they struck almost with impunity along the 450-mile border. Most of their attacks were mortar and machine-gun barrages of rural villages and rural Sandinista enterprises.

The rebels found significant support in many areas where a fiercely independent peasantry rankled under Sandinista controls. Peasant farmers frequently cooperated with food and information on Sandinista troop movements.

The rebels never seized and held anything of any importance for more than a few hours, but the war soon forced the Sandinistas to divert scarce resources to defense.

"We budgeted for agro-industries, we budgeted for imports and exports. We did not budget for an invasion by 1,500 counterrevolutionaries," Sandinista *comandante* Carlos Nunez complained in April 1983.

Reverses begin

Starting in late 1983, however, the contra effort began to experience reverses.

"Things began to unravel," a U.S. official in Washington recalled last week.

One of the most troubling developments was the emergence in late 1983 of allegations of corruption within the FDN. In a rebellion that went almost unnoticed at the time, 20 FDN commanders accused Bermudez of mismanagement of CIA funds and poor leadership. They signed a petition demanding that he and seven close aides resign.

The rebels succeeded in purging several of the top former national guardsmen. But Bermudez forced out the principal dissidents as well. Bermudez survived.

Meanwhile, a more serious financial crisis was brewing.

As early as December 1982, liberal Democratic members of Congress had sought to bar U.S. aid to the contras. Rep. Edward Boland, D-Mass., then head of the House Intelligence Committee, prevented a complete ban by offering legislation that allowed the CIA to continue the war — but barred use of U.S. funds for "overthrowing the government of Nicaragua."

Amendment passes

In a vote that signaled the congressional feelings about foreign intervention, the Boland amendment passed the House unanimously — 411-0 — and soon became law.

With the Boland amendment in place, the contras' battlefield successes worked against them. Lawmakers soon realized that despite Reagan administration disclaimers, the rebels aimed to overthrow the Sandinistas.

"One with any sense, any legal sense, would have to come to the conclusion that the operation is illegal," Boland said in April 1983. Three months later, the House voted to bar further aid to the rebels.

The Republican Senate at first refused to go along. Then in November 1983 it agreed to a compromise, slapping a cap of $24 million on the amount the CIA could channel to the contras.

CIA briefers tried to reassure Congress in late 1983 that despite rebel leaders' vows to topple the Sandinista regime, the agency had assumed "day-to-day control" of the war and that the Boland restrictions were not being violated. But the CIA "control" proved to be little comfort.

Commando raids

Starting in October 1983, CIA officers supervised a series of commando raids from speedboats that heavily damaged several Nicaraguan ports. In a raid on Corinto, the commandos blew up five enormous fuel tanks, injuring 15 people and forcing the evacuation of 25,000.

During the same period, CIA-directed commandos mined the Corinto harbor. From January to March 1984, dozens of mines exploded, damaging at least eight ships, including a 22,000-ton Soviet oil tanker. The CIA later told Congress that twice during the period, CIA contract employees flying in helicopters from a CIA mother ship had opened fire on Nicaraguan government forces along the coast.

In September 1984, more U.S. involvement in the war became apparent when two Vietnam veterans were killed when their helicopter was hit by Sandinista rocket fire over Santa Clara, five miles south of the Honduran border in Nicaragua. Peasant witnesses to the battle told The Herald that the helicopter had aided three rebel planes in a rocket attack on a Sandinista military base.

Documents showed that the planes were U.S. Air Force O-2s secretly transferred to the contras by the CIA, and U.S. officials later conceded that the Santa Clara base had been chosen for attack from a CIA-supplied list of targets.

In October, a guerrilla warfare manual written by the CIA for use by the contras surfaced. The book recommended blackmail to win civilian collaborators, explained how rebels could incite mob violence, and suggested explanations that rebels could give to Nicaraguan townspeople if they had to shoot civilians. The manual's cover showed the outlines of 15 human heads — a large hole through each one.

As controversy mounted, the war chest dwindled. The $24 million in CIA money had run out by May 1984. With President Reagan up for re-election in November, House critics of the war finally succeeded in suspending all rebel aid in October 1984.

In the wake of the cutoff, rebel leaders voiced frustration about the ambiguities of U.S. support that continue today. A contra military leader told The Herald that at the beginning of the war he had repeatedly confronted his CIA contacts with published reports that the rebels were supposed to be intercepting arms.

"They told us to pay no attention to what we read," the rebel leader recalled, "that we should understand that they had to deal with the Congress. What did we care, so long as they gave us the money?"

He said the rebels had believed the CIA was lying to Congress to get the funds appropriated. "Now we know they were lying to both of us ... telling us they would back us to the end, when they knew they would stop halfway down the road," the rebel recalled.

Loss of official government aid forced the rebels in late 1984 to switch from conventional to guerrilla warfare. They dispersed into smaller units for hit-and-run attacks, and tried to conserve ammunition.

And, with the blessing and occasional aid of the White House, they began to seek private donations. Their success was surprising, with monthly donations at times reportedly surpassing $1 million. To date, wealthy backers in the United States and elsewhere are believed to have donated some $30 million to the rebels.

Sandinista repression

As the United States debated whether to fund the contras, Sandinista Nicaragua tilted toward repression. The day after the contras' first attack in March 1982, the Sandinistas imposed a tough state of emergency. The Sandinistas have since tightened their control, harassing the private sector, censoring the press and restricting opposition politics.

The Sandinistas say they now channel nearly 50 percent of Nicaragua's total production to the war effort. In late 1983, the Sandinistas imposed a military draft. Nicaragua has since boosted its armed forces to 75,000 regular troops, backed by militia and reserves numbering at least 60,000.

In late 1984, they began forcing the peasants suspected of supporting the contras into state-run camps. To date, 100,000 have been moved. In 1985, they stepped up arrests, trying before special tribunals those accused of contra collaboration.

Perhaps most disturbing to Washington, the Sandinistas coupled their domestic crackdown with a major buildup of Soviet-bloc weaponry. Since 1979, Soviet-bloc countries have channeled $550 million in military aid to the Sandinistas, Pentagon officials estimate.

In early 1985, they capped their arsenal with sophisticated Soviet Mi-24 attack helicopters, enabling them to mount Vietnam-style air mobile operations.

The years that have seen Nicaragua move, in Washington's view, from bad to intolerable have brought dramatic improvements in the rest of Central America. Where El Salvador's guerrillas nearly seized power in 1982, two years later the military had reduced them to a chronic nuisance. By 1984, Guatemalan rebels also were beaten back. Elected civilian presidents took over from military rulers in Honduras in 1982, in El Salvador two years later and in Guatemala this year.

With Central America's insurgent tide receding, Congress proved unreceptive again when President Reagan warned of threats to U.S. security as he requested a resumption of contra aid in April 1985. To make matters worse, days before the vote, Newsweek magazine printed a series of horrifying battlefield photos showing contras slitting the throat of a Sandinista collaborator.

Congress again turned thumbs down. Reagan immediately submitted a new request, agreeing to limit the aid to $27 million in "humanitarian assistance," for food, uniforms, trucks and other gear. This time, a visit to Moscow by Nicaraguan President Daniel Ortega had angered lawmakers. Congress reversed itself to vote the aid in June 1985.

The new "humanitarian" aid, disbursed by the State Department, kept the rebels from starving, but their battlefield aggressiveness dwindled. U.S. officials say that with the humanitarian aid as a magnet, most of the rebels retreated into their Honduran camps in late 1985.

The president's current $100 million aid request would be administered by the CIA again for the first time since 1984. So far, Congress has shown little enthusiasm. In March, the House rejected it 222-210. In April, Republicans stopped new consideration of the aid after Democrats attached it to an unrelated spending bill, then fell far short — 59 members of Congress — of the 218 signatures necessary to force a new vote on their own terms. The Democratic leadership has scheduled another vote for late June.

Last chance

It will probably be the contras' last chance this year.

The debate this year has focused on the rebels themselves, with critics lodging allegations of drug trafficking, embezzlement and human rights abuses.

The administration has emphasized the contras' growth and evolution. Once roaming bands operating under national guard leadership, the contras have become a new, more democratic army because of mass enlistments of thousands of peasant farmers and draft resisters who fled Nicaragua in 1984 and 1985, the administration says.

Meanwhile, the Sandinistas' tightening ties with the Soviet bloc and mounting repression at home have helped the administration's case.

But the debate now also has a large ideological dimension. Conservatives see the possibility of reversing the idea that there is something wrong with U.S. intervention in the internal affairs of other countries.

"The contra effort started out as a secret CIA program, and you didn't talk about it — like it was immoral or something," a U.S. diplomat in Central America recalled last week. "But maybe it's OK to intervene in the internal affairs of another country if that government is thwarting the will of its own people. Increasingly, it's become possible to debate the desirability of overthrowing the Sandinistas."

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